

# Immediate Benefits for Massachusetts

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The Affordable Care Act, passed by Congress and signed into law by President Obama on March 23, 2010, gives you better health security by putting in place comprehensive health insurance reforms that hold insurance companies accountable, lower health care costs, guarantee more choice, and enhance the quality of care for all Americans. Already, the people of Massachusetts are seeing the new benefits and protections of the law.

## New Protections for Consumers

Starting on September 23, 2010, the new law will end some of the worst insurance company abuses and provide important new benefits for the people of Massachusetts and their families. Under the new law:

- Up to 9,830 young adults may be able to stay on their parents plan until they turn 26.
- Insurance companies can no longer impose a lifetime limit on care on the 4,480,000 residents of Massachusetts with private health insurance coverage.
- Insurance companies will be prohibited from dropping the coverage of any of the 4,480,000 residents of Massachusetts with private health insurance coverage if they get sick or made an unintentional mistake their applications.
- Insurance companies will be prohibited from discriminating against children with pre-existing conditions.
- And if you purchase or join a new plan:
  - › Insurance companies will be required to provide preventive services, like mammograms and colonoscopies, without charging a copayment, coinsurance, or deductible;
  - › You will have the right to appeal an insurance company's decision to an independent body;
  - › You will be allowed to choose primary care providers, like pediatricians and OB-GYNs, within a plan's network without a referral.

## Support for Seniors

The new law also strengthens Medicare by reducing fraud, closing the gap in the Medicare prescription drug coverage gap, known as the 'donut hole,' and providing

new benefits for seniors, such as free preventive care and an annual wellness visit. Here's how the Affordable Care Act helps seniors in Massachusetts:

- Closes the Medicare Part D donut hole. Last year, roughly 86,700 Medicare beneficiaries in Massachusetts hit the donut hole, or gap in Medicare Part D drug coverage. As of the end of August, 21,310 seniors in Massachusetts have already received their \$250 tax free rebate for hitting the donut hole. The new law continues to provide additional discounts for seniors in Medicare in the years ahead, including a 50 percent discount on brand name drugs next year, and closing the donut hole by 2020.
- Free preventive services for Medicare beneficiaries. All 1,020,000 of Medicare enrollees in Massachusetts will get preventive services, like colorectal cancer screenings, mammograms, and an annual wellness visit without copayments, coinsurance, or deductibles starting in 2011.

## Affordable Coverage

The Affordable Care Act helps extend affordable coverage to residents of Massachusetts who have been locked out of the insurance marketplace or struggled to afford care. The new law includes:

- Affordable insurance for uninsured Americans with pre-existing conditions. Residents of Massachusetts who have been denied coverage by an insurance company because of a pre-existing condition are now eligible for coverage through a new Pre-Existing Condition Insurance Plan. The plan is a bridge to 2014 when Americans will have access to affordable coverage options in the new health insurance Exchanges and insurance companies will be prohibited from denying coverage to Americans with pre-existing conditions.

# Immediate Benefits for Massachusetts

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\$76.7 million in federal funding will be available to Massachusetts for this coverage expansion.

- Small business tax credits. 102,000 small businesses in Massachusetts may be eligible for the new small business tax credit that makes it easier for businesses to provide coverage to their workers and makes premiums more affordable. Small businesses pay, on average, 18 percent more than large businesses for the same coverage, and, on average, health insurance premiums for employer sponsored plans have gone up three times faster than wages in the past 10 years. This tax credit is just the first step towards bringing those costs down and making coverage affordable for small businesses. In 2014, small businesses will be able to purchase coverage through the new Exchanges, giving them the same purchasing power as large employers have today, which will significantly lower their health care expenses for their employees.
- Support for health coverage for early retirees. An estimated 79,200 people from Massachusetts retired before they were eligible for Medicare and have health coverage through their former employers. Unfortunately, the number of firms that provide health coverage to their retirees has decreased over time. This year, a \$5 billion temporary Early Retiree Reinsurance Program will help stabilize early retiree coverage by providing support to firms that continue to provide health coverage to their early retirees. Already, HHS has approved 48 employers from Massachusetts to help pay for their early retirees' coverage.
- New Coverage Option. Massachusetts will receive \$2.1 billion to expand coverage to more than 29,921 people through Medicaid.

## Improved Access to Care:

The Affordable Care Act includes historic investments to strengthen the health care workforce and ensure residents of Massachusetts have access to care in their communities. The law:

- Strengthens community health centers. Beginning October 1, 2010, increased funding for Community Health Centers will help nearly double the number of patients seen by the centers over the next five years.

The funding can go towards helping the 333 existing Community Health Centers in Massachusetts and can also support the construction of new centers. This builds on a \$2 billion investment in Community Health Centers in the American Recovery and Reinvestment Act, which has provided an unprecedented opportunity to serve more patients, create new jobs, and meet the significant increase in demand for primary health care services. Nationwide, this boost in funding for Community Health Centers will increase the number of patients they're able to serve by 20 million—nearly double the number of patients they serve today.

- More providers where people need them. Nearly 7 percent of Massachusetts' population lives in an underserved area. Beginning October 1, 2010, the law will provide funding for the National Health Service Corps (\$1.5 billion over five years) for scholarships and loan repayments for doctors, nurses, and other health care providers who work in areas with a shortage of health professionals. And the Affordable Care Act invested \$250 million dollars this year in programs that will boost the supply of primary care providers across the country.

## Reduced Health Disparities:

The Affordable Care Act takes critical steps to reduce health disparities which certain populations that are more difficult to reach experience by targeting the very issues that prevent them from achieving better health. The law:

- Significantly increases coverage by expanding Medicaid and establishing the new Exchanges, in which many people will receive tax credit support to pay for coverage. This will be critical to the 21 percent of African Americans, 32 percent of Latinos, and the 20 percent of rural Americans that are uninsured.
- Boosts funding for Community Health Centers. 27 percent of patients at community health centers are African American and 35 percent are Latino. Additionally, nearly 865,000 migrant and seasonal farm workers and their families seek care also seek care through community health centers.
- Invests hundreds of millions of dollars in the education and training of thousands of new doctors and nurses

# Immediate Benefits for Massachusetts

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with a focus on those willing to serve in harder to reach communities. The new law will help encourage more doctors and nurses to practice in underserved communities through additional scholarships, loan repayments, Medicaid payment incentives, and other financial incentives.

- Invests in expanding access to preventive services, through nurse-managed health clinics, school-based clinics, and community health centers, as well as requiring new health plans and Medicare to provide preventive care without copayments, deductibles, or coinsurance. Preventive care is especially critical to African Americans, Latinos, and rural Americans, who suffer higher rates of chronic illnesses, like diabetes and heart disease.

## The Affordable Care Act: Helping Residents of Massachusetts

**Patricia Liberti, Salem, MA:** Patricia Liberti is a retired nurse who has consistently hit the prescription drug coverage gap known as the donut hole. This year, Patricia received a \$250 rebate check to help cover the cost of her prescription drugs. Next year, Patricia will receive a 50 percent discount on brand name prescription drugs she purchases when she hits the donut hole. By 2020, the donut hole will be eliminated.

## To Learn More about the Affordable Care Act go to [HealthCare.gov](http://HealthCare.gov)

HealthCare.gov is a new, easy to use website that helps consumers take control of their health care and make the choices that are right for them by putting the power of information at their fingertips. In addition to more information about the Affordable Care Act, the website is the first of its kind to bring information and links to health insurance plans into one place, making it easier for consumers to learn about and compare their insurance options. Visit [www.HealthCare.gov](http://www.HealthCare.gov) today.

# Appendix

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## By the Numbers: The Affordable Care Act Nationwide

**Coverage for Young Adults.** Up to 2.4 million young adults, up to 1.8 million who are uninsured, and nearly 600,000 who purchase coverage in the individual market, could gain coverage through their parents.

**Ban on lifetime limits.** Up to 20,400 people who typically hit their lifetime limits on the dollar amount that can be spent on coverage, along with the nearly 102 million enrollees on whom insurers impose lifetime limits, will no longer have to worry about hitting their benefits caps.

**Ban on rescissions.** Approximately 10,700 people's whose coverage is dropped each year because they get sick or make an unintentional mistake on their application will be protected under the new law.

**Restriction of annual limits.** By 2013, up to 3,500 people per year will maintain their coverage as a result of the ban on annual limits that insurers impose on nearly 18 million people today.

**Banning pre-existing conditions exclusions for kids.** Up to 72,000 uninsured children are expected to gain coverage by banning insurers from refusing them coverage due to a pre-existing condition. Coverage for up to 90,000 children will no longer exclude benefits because of a pre-existing condition.

**Appeals process.** Up to 88 million people will benefit from the new appeals process provisions by 2013.

**Choice of physician.** Up to 88 million people will benefit from the provision that protects primary care provider choice by 2013.

**Support for Small Businesses.** Up to 4 million small businesses nationwide could qualify for a small business tax credit this year, which will provide a total of \$40 billion in relief for small firms over the next 10 years.

**Savings for Seniors.** Seniors will save on average almost \$200 per year in premiums and over \$200 per year in co-insurance compared to what they would have paid without the new law by the year 2018.